

August 23, 2018

To the Honorable Members of  
The Illinois Senate  
100th General Assembly:

Today I veto Senate Bill 65 from the 100th General Assembly, which would harm consumers and prohibit free competition within the real estate industry.

This legislation attempts to force buyers of residential property in certain counties to get title insurance from the same company that the seller chooses, which is problematic on a number of fronts.

There is no compelling public policy rationale for the General Assembly to have passed this legislation besides creating a new default within title insurance transactions that sends guaranteed business to one side of an otherwise competitive industry. This will harm consumers, restrict choice, and prevent the downward pressure on prices currently being produced by bifurcated real estate transactions. Furthermore, this legislation will put Illinoisans at risk of violating federal law, as the Real Estate Settlement Procedures Act (RESPA) prohibits sellers directly or indirectly setting requirements on the buyers' choice of title insurance company. This federal statute preempts Illinois law on the issue and assesses fines to those who violate it. Finally, by restricting this limitation to the Chicago metro real estate market, the law creates an unnecessary patchwork of real estate regulation across Illinois.

This bill represents bad economics and bad public policy, and would put both Illinoisans engaging in these transactions and our regulatory agencies in a position to be violating either state or federal law by acting under its terms.

Therefore, pursuant to Section 9(b) of Article IV of the Illinois Constitution of 1970, I hereby return Senate Bill 65, entitled "AN ACT concerning regulation", with the foregoing objections, vetoed in its entirety.

Sincerely,

Bruce Rauner  
GOVERNOR